

Bankruptcy

Crescent Dunes Green Energy Plant Owner Nets Bankruptcy Funding

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- Tonopah Solar Energy LLC won court approval to borrow \$5 million from its parent as part of a \$10 million financing package to fund its bankruptcy case.
- The company filed for Chapter 11 relief due to continued leaks of molten salt, termination of its long-term power purchase agreements, and continued losses.
- Tonopah owes about \$173 million to Crescent Dunes Finance and will shut down the plant if it can't find a buyer for its assets.

Tonopah Solar Energy LLC, owner of the first utility-scale thermal concentrated solar power plant in the US, won court approval to borrow \$5 million from its parent to fund its bankruptcy case.

The owner of the Nevada-based Crescent Dunes solar energy project can borrow the funds as part of a larger \$10 million financing package from Crescent Dunes Finance Inc., Judge J. Kate Stickles ruled at a Friday hearing in the US Bankruptcy Court for the District of Delaware.

The Tonopah, Nev. plant filed for Chapter 11 relief Wednesday for the second time since 2020. The filing comes after continued leaks of molten salt from its storage tanks, termination of its long-term power purchase agreements, and continued losses for Crescent Dunes Finance.

"We've now reached the point where the parent is no longer willing to continue funding the plant's losses," Tonopah attorney Rachel Ehrlich Albanese of DLA Piper LLP said at the hearing.

Tonopah owes about \$173 million to Crescent Dunes Finance. If the company can't find a buyer for its assets, it'll shut down the plant, DLA Piper attorney Aaron Applebaum said.

The plant sits on about 1,620 acres of a 2,250-acre site in the desert between Las Vegas and Reno and is leased from the US Bureau of Land Management through 2039.

Tonopah filed its bankruptcy with a restructuring support agreement between itself, Crescent Dunes, and plant operator ACS Industrial Activities Inc.

The company emerged from its prior bankruptcy in December 2020 after transferring ownership to Crescent Dunes Investment LLC. It intended to generate 400 gigawatts hours of power per year but tank leaks in 2022 and 2023 curbed those plans.

Applebaum at the hearing said the plant has remained active without leaks since July 2023 after temperatures were lowered to not exceed 890 degrees Fahrenheit.

Tonopah is represented by DLA Piper LLP (US). Crescent Dunes is represented by Kelley Drye & Warren LLP.

The case is Tonopah Solar Energy LLC, Bankr. D. Del., No. 26-10060, hearing 1/23/26.

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